

provides a counterweight to the centrifugal forces of the global economy. It can help to anchor the market in values and concerns that the large impersonal corporation does not share, and we should encourage this form of enterprise whenever we can.

Certainly the Federal Government never should force the sale of such an enterprise just to pay an estate tax. That does not happen often today. But not often is still too often. It should never happen, and that is why I am introducing a bill today to make sure it doesn't.

Under this bill, the estate tax on farms and businesses under active family management would phase out over 6 years, until by 2006 it would be gone completely.

This bill is different from the one that passed this Chamber earlier this year in one key respect: It applies onto family farms and businesses passed along to the next generation. It does not apply to the heirs of multi-billion dollar investment fortunes and the like. There was a strange disconnect in the debate over that earlier bill. Virtually all the talk from proponents was about family farms and businesses. Yet the bulk of the actual belief of their bill would have gone to the heirs of investment fortunes instead.

That is why many of us voted against the bill. The walk didn't match the talk. And that is why I am proposing today that, for once, we move forward on what we do agree on instead of wrangling continuously, for political advantage, over what we don't. Large stock fortunes are not the same as family farms and businesses. They raise a different set of questions where the estate tax is concerned, and we ought to deal with those questions separately and at a later time.

This is not the place to debate the merits of the estate tax as it applies to large fortunes as opposed to operating farms and businesses. I will just note briefly a few of the reasons why many of us could not support the previous bill.

For one thing, the tax was enacted out of the conviction that those who have benefited most from our democracy in the past ought to contribute to its security and well-being in the future. That was true back in 1916 and it is equally true today. To repeal the estate tax completely would shift the burden of paying for the Federal Government even more onto the working men and women of this country. That is not fair.

Second, the estate tax encourages people with large fortunes to make significant contributions to charity. If we are going to rely less on government in addressing our social problems, and more on the efforts of individuals and private nonprofit organizations, then we must not dry up a prime source of funding for these efforts.

Third, the estate tax encourages the work ethic, as it applies to estates other than family-based farms and

businesses. Those who might otherwise be able to live on inherited fortunes occasionally have to some useful work instead.

I know that there is disagreement on these points. They deserve an honest debate. But as I said, we should not hold family based farms and businesses hostage to that debate. We can agree that help for these family based enterprises is the first priority of estate tax reform. We can agree that no family farm or family business should have to be sold to pay an estate tax.

So let's do that now and save the rest for another day.

By Mr. GRAMS:

S. 3099. A bill to amend the Internal Revenue Code of 1986 to clarify the exemption from tax for small property and casualty insurance companies, and for other purposes; to the Committee on Finance.

SMALL PROPERTY AND CASUALTY INSURANCE
EXEMPTION ACT

Mr. GRAMS. Mr. President, I rise to introduce a bill to clarify the tax exemption status for small property and casualty insurance companies. These small companies are vitally important to provide needed services for our rural and farming communities.

Under current law, an insurance company with up to \$350,000 in premium is tax-exempt. In addition, companies with premiums that exceed \$350,000 but do not exceed \$1,200,000 are allowed to elect to be taxed on their net investment income.

Investment income or assets are not considered when determining qualification for either tax-exempt status or investment income taxation. These companies are allowed to elect to be taxed on their net investment income.

Early this year, President proposed in his FY 2001 budget to modify this calculation to include investment and other types of income. The proposal would also change the tax law to allow companies with premiums below \$350,000 to elect to be taxed on their net investment income.

By including investment income into the calculation, it is the intent of the administration to prohibit foreign companies and other large insurers from sheltering income from taxes.

However, by including investment into the calculation, the intended beneficiaries, small property and casualty insurance companies, will not be able to qualify for the exemption defeating the intent of Congress and purpose for the provision.

Mr. President, since 1921, small insurance companies have been exempt from federal taxation so that all their financial resources could be used for claims paying.

It has been the public policy goal to maintain small, rural, farm-oriented insurers so that all Americans would have access to coverage at a reasonable cost.

While the administration's goal of closing the loophole is admirable, the

current proposal would only serve to harm the small U.S. farm insurance company that the provision is there to protect.

My legislation would close the loophole by limiting the provision to only those companies that are directly owned by their policyholders and the company operates in only one state.

In addition, the legislation would increase the tax exemption level from \$350,000 to \$531,000, indexed for inflation every year thereafter, and it would increase the investment income election from \$1.2 million to \$1.8 million, indexed for inflation every year thereafter.

The last time these levels were increased was 1986. Inflation has eroded the levels to the point of being irrelevant. The increased levels were calculated by using the CPI to adjust the levels for inflation.

Mr. President, by making these changes we can ensure that our rural and farming communities will continue to receive the needed insurance services. I urge my colleagues to support this legislation.

ADDITIONAL COSPONSORS

S. 670

At the request of Mr. JEFFORDS, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 670, a bill to amend the Internal Revenue Code of 1986 to provide that the exclusion from gross income for foster care payments shall also apply to payments by qualifying placement agencies, and for other purposes.

S. 1536

At the request of Mr. DEWINE, the names of the Senator from Vermont (Mr. LEAHY), the Senator from Wyoming (Mr. ENZI) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. 1536, a bill to amend the Older Americans Act of 1965 to extend authorizations of appropriations for programs under the Act, to modernize programs and services for older individuals, and for other purposes.

S. 1855

At the request of Mr. MURKOWSKI, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1855, a bill to establish age limitations for airmen.

S. 2264

At the request of Mr. ROCKEFELLER, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 2264, a bill to amend title 38, United States Code, to establish within the Veterans Health Administration the position of Advisor on Physician Assistants, and for other purposes.

S. 2686

At the request of Mr. COCHRAN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2686, a bill to amend chapter 36 of title 39, United States Code, to modify rates relating to reduced rate mail matter, and for other purposes.

S. 2787

At the request of Mr. GRAMS, his name was added as a cosponsor of S. 2787, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 2986

At the request of Mr. HUTCHINSON, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 2986, a bill to limit the issuance of regulations relating to Federal contractor responsibility, to require the Comptroller General to conduct a review of Federal contractor compliance with applicable laws, and for other purposes.

S. CON. RES. 111

At the request of Mr. NICKLES, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. Con. Res. 111, a concurrent resolution expressing the sense of the Congress regarding ensuring a competitive North American market for softwood lumber.

S. RES. 304

At the request of Mr. BIDEN, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. Res. 304, a resolution expressing the sense of the Senate regarding the development of educational programs on veterans' contributions to the country and the designation of the week that includes Veterans Day as "National Veterans Awareness Week" for the presentation of such educational programs.

AMENDMENTS SUBMITTED

AMERICAN COMPETITIVENESS IN THE TWENTY-FIRST CENTURY ACT OF 2000

ABRAHAM AMENDMENT NO. 4177

Mr. LOTT (for Mr. ABRAHAM) proposed an amendment to the bill (S. 2045) to amend the Immigration and Nationality Act with respect to H-1B nonimmigrant aliens; as follows:

Strike all after the word "section" and insert the following:

1. SHORT TITLE.

This Act may be cited as the "American Competitiveness in the Twenty-first Century Act of 2000".

SEC. 2. TEMPORARY INCREASE IN VISA ALLOTMENTS.

(a) FISCAL YEARS 2000-2002.—Section 214(g)(1)(A) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)(A)) is amended—

(1) by redesignating clause (v) as clause (vi); and

(2) by striking clauses (iii) and (iv) and inserting the following:

"(iii) 195,000 in fiscal year 2000; and

"(iv) 195,000 in fiscal year 2001;

"(v) 195,000 in fiscal year 2002; and".

(b) ADDITIONAL VISAS FOR FISCAL YEAR 1999.—

(1) IN GENERAL.—Notwithstanding section 214(g)(1)(A)(ii) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(1)(A)(ii)), the total number of aliens who may be issued

visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of such Act in fiscal year 1999 is increased by a number equal to the number of aliens who are issued such a visa or provided such status during the period beginning on the date on which the limitation in such section 214(g)(1)(A)(ii) is reached and ending on September 30, 1999.

(2) EFFECTIVE DATE.—Paragraph (1) shall take effect as if included in the enactment of section 411 of the American Competitiveness and Workforce Improvement Act of 1998 (as contained in title IV of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999; Public Law 105-277).

SEC. 3. SPECIAL RULE FOR UNIVERSITIES, RESEARCH FACILITIES, AND GRADUATE DEGREE RECIPIENTS; COUNTING RULES.

Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended by adding at the end the following new paragraphs:

"(5) The numerical limitations contained in paragraph (1)(A) shall not apply to any nonimmigrant alien issued a visa or otherwise provided status under section 101(a)(15)(H)(i)(b)—

"(A) who is employed (or has received an offer of employment) at—

"(i) an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))), or a related or affiliated nonprofit entity; or

"(ii) a nonprofit research organization or a governmental research organization; or

"(B) for whom a petition is filed not more than 90 days before or not more than 180 days after the nonimmigrant has attained a master's degree or higher degree from an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))).

"(6) Any alien who ceases to be employed by an employer described in paragraph (5)(A) shall, if employed as a nonimmigrant alien described in section 101(a)(15)(H)(i)(b), who has not previously been counted toward the numerical limitations contained in paragraph (1)(A), be counted toward those limitations the first time the alien is employed by an employer other than one described in paragraph (5)(A).

"(7) Any alien who has already been counted, within the 6 years prior to the approval of a petition described in subsection (c), toward the numerical limitations of paragraph (1)(A) shall not again be counted toward those limitations unless the alien would be eligible for a full 6 years of authorized admission at the time the petition is filed. Where multiple petitions are approved for 1 alien, that alien shall be counted only once."

SEC. 4. LIMITATION ON PER COUNTRY CEILING WITH RESPECT TO EMPLOYMENT-BASED IMMIGRANTS.

(a) SPECIAL RULES.—Section 202(a) of the Immigration and Nationality Act (8 U.S.C. 1152(a)) is amended by adding at the end the following new paragraph:

"(5) RULES FOR EMPLOYMENT-BASED IMMIGRANTS.—

"(A) EMPLOYMENT-BASED IMMIGRANTS NOT SUBJECT TO PER COUNTRY LIMITATION IF ADDITIONAL VISAS AVAILABLE.—If the total number of visas available under paragraph (1), (2), (3), (4), or (5) of section 203(b) for a calendar quarter exceeds the number of qualified immigrants who may otherwise be issued such visas, the visas made available under that paragraph shall be issued without regard to the numerical limitation under paragraph (2) of this subsection during the remainder of the calendar quarter.

"(B) LIMITING FALL ACROSS FOR CERTAIN COUNTRIES SUBJECT TO SUBSECTION (E).—In the

case of a foreign state or dependent area to which subsection (e) applies, if the total number of visas issued under section 203(b) exceeds the maximum number of visas that may be made available to immigrants of the state or area under section 203(b) consistent with subsection (e) (determined without regard to this paragraph), in applying subsection (e) all visas shall be deemed to have been required for the classes of aliens specified in section 203(b)."

(b) CONFORMING AMENDMENTS.—

(1) Section 202(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1152(a)(2)) is amended by striking "paragraphs (3) and (4)" and inserting "paragraphs (3), (4), and (5)".

(2) Section 202(e)(3) of the Immigration and Nationality Act (8 U.S.C. 1152(e)(3)) is amended by striking "the proportion of the visa numbers" and inserting "except as provided in subsection (a)(5), the proportion of the visa numbers".

(c) ONE-TIME PROTECTION UNDER PER COUNTRY CEILING.—Notwithstanding section 214(g)(4) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(4)), any alien who—

(1) is the beneficiary of a petition filed under section 204(a) of that Act for a preference status under paragraph (1), (2), or (3) of section 203(b) of that Act; and

(2) would be subject to the per country limitations applicable to immigrants but for this subsection,

may apply for, and the Attorney General may grant, an extension of such nonimmigrant status until the alien's application for adjustment of status has been processed and a decision made thereon.

SEC. 5. INCREASED PORTABILITY OF H-1B STATUS.

(a) IN GENERAL.—Section 214 of the Immigration and Nationality Act (8 U.S.C. 1184) is amended by adding at the end the following new subsection:

"(m)(1) A nonimmigrant alien described in paragraph (2) who was previously issued a visa or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) is authorized to accept new employment upon the filing by the prospective employer of a new petition on behalf of such nonimmigrant as provided under subsection (a). Employment authorization shall continue for such alien until the new petition is adjudicated. If the new petition is denied, such authorization shall cease.

"(2) A nonimmigrant alien described in this paragraph is a nonimmigrant alien—

"(A) who has been lawfully admitted into the United States;

"(B) on whose behalf an employer has filed a nonfrivolous petition for new employment before the date of expiration of the period of stay authorized by the Attorney General; and

"(C) who has not been employed without authorization before or during the pendency of such petition for new employment in the United States."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to petitions filed before, on, or after the date of enactment of this Act.

SEC. 6. SPECIAL PROVISIONS IN CASES OF LENGTHY ADJUDICATIONS.

(a) EXEMPTION FROM LIMITATION.—The limitation contained in section 214(g)(4) of the Immigration and Nationality Act (8 U.S.C. 1184(g)(4)) with respect to the duration of authorized stay shall not apply to any nonimmigrant alien previously issued a visa or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of that Act on whose behalf a petition under section 204(b) of that Act to accord the alien immigrant status under section 203(b) of that Act, or an application for adjustment of status